

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	
v.)	No. 1:18-cr-0042 (LO)
)	
GARY A. DUFF,)	
)	
Defendant.)	

CRIMINAL INFORMATION

Count 1

(Conspiracy to Defraud the United States and Commit Wire Fraud)

THE UNITED STATES ATTORNEY CHARGES THAT:

1. From in or about March 2011, and continuing thereafter until at least in or about March 2016, in the Eastern District of Virginia and elsewhere, the defendant, GARY A. DUFF ("DUFF"), and others known and unknown to the investigation, including STEVEN J. GRAVES ("GRAVES"), willfully, knowingly, and unlawfully conspired:

a. To defraud the United States of money and property and the right to control the disposition of its assets, that is: (1) the issuance of contracts and purchase orders obligating the United States and the U.S. Department of State ("DoS") to pay for goods and services; (2) payments made pursuant to the contracts and purchase orders; and (3) control over how the United States and the DoS spent the funds allocated for the work covered by the contracts and purchase orders, in violation of 18 U.S.C. § 371;

b. To defraud the United States by impairing, impeding, obstructing, and defeating the DoS's lawful government functions, including the DoS's procurement of supplies

and services, in a manner free from fraud, dishonesty, deceit, conflict of interest, and corruption, in violation of 18 U.S.C. § 371;

c. To commit wire fraud, that is, having devised and intended to devise a scheme and artifice to defraud the United States, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing the scheme and artifice, transmit and cause to be transmitted by means of wire communications in interstate commerce writings, signs, signals, pictures, and sounds, in violation of 18 U.S.C. § 1343.

Manner and Means of the Conspiracy

2. It was a part of the conspiracy that DUFF and GRAVES would by deceit, craft, trickery and dishonest means, defraud the United States out of money and property, the right to control the disposition of its assets, and interfere with and obstruct the lawful governmental functions of the DoS, in that DUFF and GRAVES used GRAVES' official position at the DoS to steer contracts and purchase orders to a government contractor in Texas, Honest, Experienced, Reliable, Contracting LLC ("HERC"), while concealing from the DoS and others that GRAVES had a conflict of interest and was partial and biased due to his business, financial, and personal relationship with HERC and DUFF.

3. It was a further part of the conspiracy that GRAVES sought out contracting opportunities for HERC and DUFF, introduced DUFF to DoS employees and current or prospective contractors, provided advice on the preparation of bid proposals, and supplied DUFF with confidential bid and procurement information.

4. It was further a part of the conspiracy that DUFF and others used confidential bid and procurement information in an effort to gain a competitive advantage over other prospective contractors.

5. It was further a part of the conspiracy that DUFF and GRAVES kept secret and concealed from others, including actual or contemplated HERC business partners, the true nature of their relationship and intentionally omitted the true nature of their relationship in communications to or intended for the DoS or its employees.

6. It was a further part of the conspiracy that DUFF, GRAVES, and others sought to steer DoS contracts to HERC for their personal enrichment.

Overt Acts

7. On or about September 10, 2012, DUFF submitted a bid proposal for a set aside contract for the design and construction of a building at the U.S. Embassy in Kabul, Afghanistan ("USEK") to repair or install radio systems in Embassy vehicles (DoS Contract No. SAQMMA12C0255).

8. On or about September 24, 2012, after GRAVES recommended and caused a contracting official to award DoS Contract No. SAQMMA12C0255 to HERC, DUFF signed an acknowledgement form authorizing HERC to proceed with the contract.


9. On or about September 5, 2012, DUFF submitted a revised bid proposal to GRAVES for the purchase and installation of power generators at the USEK (DoS Purchase Order No. SAQMMA12M2357).

10. On or about September 20, 2012, after GRAVES recommended and caused a contracting official to award DoS Purchase Order No. SAQMMA12M2357 to HERC, DUFF and GRAVES communicated by e-mail regarding an advance payment to HERC.

(In violation of 18 U.S.C. § 371)

Tracy Doherty-McCormick
Acting United States Attorney

By:



Edward P. Sullivan
Special Assistant U.S. Attorney (LT)
Jack Hanly
Assistant U.S. Attorney